

# Southern Railway System

Real Estate and Insurance Department

P. O. Box 1808

Washington, D.C. 20013

11585

WILLIAM D. McLEAN  
VICE PRESIDENT

RECORDATION NO. .... Filed 1425

920 15TH STREET, N.W.  
TEL: (202) 383-4239

MAR 14 1980 - 5 15 PM

March 14, 1980

58104 INTERSTATE COMMERCE COMMISSION

Mrs. Agatha L. Mergenovich  
Secretary  
Interstate Commerce Commission  
Washington, D. C. 20423

NO-074A080

Date MAR 14 1980

Fee \$ 50.00

ICC Washington, D. C.

RECEIVED  
MAR 14 2 11 PM '80  
I.C.C.  
FEE OPERATION BR.

Dear Mrs. Mergenovich:

I enclose three original counterparts of the instrument described in paragraph (1) hereof, for recordation pursuant to Section 11303 of Title 49, U.S. Code (formerly Section 20c of the Interstate Commerce Act) and return, together with two additional counterparts thereof which are for the Commission's files.

In accordance with 49 CFR Part 1116, covering the recordation of documents, I wish to advise as follows:

(1) The enclosed document is a Lease of certain railroad equipment, more fully described below, from Southern Region Industrial Realty, Inc., Lessor, P.O. Box 1808, Washington, D.C. 20013, to Southern Railway Company, Lessee, P.O. Box 1808, Washington, D.C. 20013, dated as of March 12, 1980.

(2) The equipment covered by this Agreement is described as follows:

224 70-ton 52'6" CUF Insulated Box Cars, bearing Lessee's road numbers 585700-585923, inclusive, AAR designation XPI,

389 70-ton 50'6" RUF Box Cars, bearing Lessee's road numbers 532111-532499, inclusive, AAR designation XM, and

765 70-ton 50' Pulpwood Cars, bearing Lessee's road numbers 141300-142064, inclusive, AAR designation LP.

*Agatha L. Mergenovich*  
*William D. McLean*

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

**3/14/80**

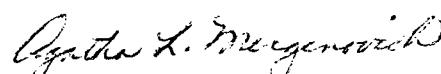
**OFFICE OF THE SECRETARY**

**William D. McLean**  
**Southern RYW System**  
**P.O. Box 1808**  
**Washington, D.C. 20013**

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **3/14/80** at **2:15pm**, and assigned re-recording number(s). **11585**

Sincerely yours,

  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

Executed in five Counterparts of  
which this is Counterpart No. /

11585

RECORDATION NO. .... Filed 1425

MAR 14 1980 - 2 15 PM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, dated as of March 12, 1980, by and between SOUTHERN REGION INDUSTRIAL REALTY, INC., a Georgia corporation (the "Vendor"), and SOUTHERN RAILWAY COMPANY, a Virginia corporation (the "Vendee")

W I T N E S S E T H:

THAT

WHEREAS, Vendee desires to acquire 224 70-Ton 52'6" CUF Insulated Box Cars, to bear Vendee's road numbers 585700-585923, both inclusive; 389 70-Ton 50'6" RUF Box Cars, to bear Vendee's road numbers 532111-532499, both inclusive; and 765 70-Ton 50' Pulpwood Cars, to bear Vendee's road numbers 141300-142064, both inclusive; all 1,378 such units being hereinafter collectively called the "Cars"; and

WHEREAS, Vendee, by Purchase Orders Numbered 137457, 141293, and 141162, dated as of November 15, 1979, December 13, 1979, and November 26, 1979 [the Purchase Orders], has contracted with Fruit Growers Express Company [Fruit Growers], Pullman Incorporated (Pullman Standard Division) [Pullman], and Greenville Steel Car Company [Greenville], respectively, to build these Cars, among others; and

WHEREAS, the builders of the Cars, Fruit Growers for the Insulated Box Cars, Pullman for the RUF Box Cars, and Greenville for the Pulpwood Cars, under the terms of the Purchase Orders, are to deliver the Cars to Vendee at Alexandria, Virginia, Bessemer, Alabama, and Georgetown, Kentucky, respectively, freight charges, if any, prepaid; and

WHEREAS, inasmuch as Vendee has not yet consummated financing arrangements for the acquisition of the Cars, it is not in a position to accept delivery of the Cars at this time; and

WHEREAS, Vendee anticipates that the above-described financing arrangements will be consummated on or before September 12, 1980, and Vendee, in order that it may take possession of and use the Cars pending completion of such financing arrangements, has requested Vendor to take an assignment of Vendee's rights to receive and purchase these Cars under the Purchase Orders, to purchase these Cars on delivery, and to give Vendee temporary custody and possession of the Cars, solely as a lessee of the Cars; and

WHEREAS, Vendor is willing to accept such assignment, and to purchase and lease the Cars upon the terms and conditions hereinafter stated;

NOW, THEREFORE, in consideration of the premises and of the promises of the parties herein contained, the parties agree as follows:

1. Vendee hereby assigns to Vendor its rights to receive and purchase these Cars under the Purchase Order and Vendor hereby accepts such assignment and designates the Vendee as its agent to accept delivery of the Cars.

2. Vendor agrees to lease the Cars to Vendee and Vendee agrees to hire the Cars from Vendor at the delivery points above referred to. The rights of Vendee hereunder in respect of each Car shall commence on the date of acceptance of such Car as agent for the Vendor and end on the earlier of September 12, 1980, or the date of payment of the purchase price of such Car under the above financing arrangements. Vendee shall purchase the Cars from Vendor or provide a purchaser therefor on or before September 12, 1980, and Vendor shall sell the Cars to Vendee or such purchaser as Vendee may provide, at the total purchase prices as set in the Purchase Orders as they relate to the Cars, and its obligation so to do shall be absolute, regardless of the condition of the Cars at such time. When the purchase price of any Car has been paid to Vendor, this Agreement shall automatically be terminated with respect to such Car without further action by or notice to any party concerned. On delivery of each Car to Vendee, Vendee will assume the responsibility and risk of loss with respect to such Car.

3. Title to the Cars shall remain in Vendor and Vendee's right and interest therein is and shall be solely that of possession, custody, and use as lessee under this Agreement. Transfer of title shall be effected only at the time of delivery of the bills of sale. Vendee shall do such acts as may be required by law, or reasonably requested by Vendor, for the protection of Vendor's title to and interest in the Cars.

4. As rental for the Cars, Vendee agrees to pay in cash to Vendor upon the termination of this Agreement the sum of \$1.00.

5. Vendee agrees that it will permit no liens of any kind to attach to the Cars, and that it will (a) indemnify and save harmless Vendor from any and all claims, expenses, or liabilities of whatsoever kind, and (b) pay any and all taxes, fines, charges, and penalties that may accrue or be assessed or imposed upon the Cars or the Vendor because of its ownership or because of the use, marking operation, management or handling of the Cars by Vendee during the term of this Agreement.

6. Vendee will, at its own expense, keep and maintain the Cars in good order and running condition and will, at its option, repair or replace or promptly pay to Vendor the purchase price in cash of those Cars which may be damaged or destroyed by any cause during the term that this Agreement applies to such Cars.

7. Prior to the delivery of the Cars to Vendee there shall be plainly, distinctly, permanently, and conspicuously marked and maintained by the Vendee upon each side of each Car in letters not less than one-half inch in height the following words:

OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH  
THE INTERSTATE COMMERCE COMMISSION.

8. Vendor shall have the right to assign its rights under this Agreement or under the Purchase Orders pursuant to the financing arrangements referred to above.

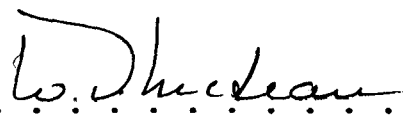
9. Vendor shall have no obligation to warrant the condition of the Cars but agrees to pass to Vendee or Vendee's nominee the builder's warranties and those of any suppliers of components on or for the Cars.

10. Vendee shall have the right to assign or transfer its rights hereunder, or to transfer or sublet the Cars (subject to this Agreement and the rights of Vendor hereunder, and without releasing Vendee from any of its obligations hereunder) to any affiliate of Vendee.

SOUTHERN REGION INDUSTRIAL  
REALTY, INC., AND  
SOUTHERN RAILWAY COMPANY,  
By

L.S.  
ATTEST:

  
Assistant Secretary

  
Vice President of each of the  
above Companies

DISTRICT OF COLUMBIA.

On this 12th day of March, 1980, before me personally appeared W. D. McLean, to me personally known, who, being by me duly sworn, says that he is a Vice President of SOUTHERN RAILWAY COMPANY and of SOUTHERN REGION INDUSTRIAL REALTY, INC., that the corporate seal of each of said corporations is affixed to the foregoing instrument, that said instrument was signed and sealed on behalf of each of said corporations by authority of its respective Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of each of said corporations.

  
.....C. O. Wagner.....

C. O. WAGNER  
Notary Public

In and For the District of Columbia  
My Commission Expires May 31, 1982